Eighteen Facts About Women’s Retirement Outlook…and Nine Steps to Improve It

Select Findings from the 18th Annual Transamerica Retirement Survey of American Workers
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Women have made tremendous progress in achieving higher levels of education, gaining opportunities in the workforce, and pursuing careers, while also continuing to play a vital role as mothers and caregivers. Despite this progress, women continue to be at greater risk of not achieving a financially secure retirement than men.

Factors contributing to women’s risky retirement outlook include: women’s annual income continues to lag behind men’s — which leads to lower lifetime earnings, lower lifetime savings, and reduced Social Security benefits. Women are also more likely than men to take time out of the workforce to care for children and/or aging parents; a high percentage of women work part-time and do not have access to workplace retirement benefits; and women have longer life expectancies and, therefore, greater savings needs.

These 18 facts aim to raise awareness of risks that women face and highlight opportunities regarding how they can improve their retirement outlook:

1. Only 12 percent of women are “very confident” in their ability to fully retire with a comfortable lifestyle.
2. 53 percent of women plan to retire after age 65 or do not plan to retire.
3. 54 percent plan to work after they retire, including 11 percent who plan to work full-time and 43 percent part-time.
4. Are women being proactive enough to work past age 65? While 63 percent say they are staying healthy, only 57 percent are focused on performing well at their current job and 46 percent are keeping their job skills up to date.
5. 64 percent do not have a backup plan for retirement income if forced into retirement sooner than expected.
6. Paying off debt is a financial priority for almost seven in 10 women (68 percent). Only 51 percent of women cite saving for retirement as a priority.
7. 73 percent are saving for retirement through a workplace plan and/or outside of work in an IRA, mutual fund, bank account, etc. Women started saving for retirement at age 27 (median).
8. 45 percent expect their primary source of retirement income will be 401(k)/403(b)/IRA and/or other savings and investments, while 30 percent expect to rely on Social Security.
9. 81 percent of women are concerned that Social Security won’t be there for them when they are ready to retire.
10. 47 percent of Baby Boomer women say they know a great deal or quite a bit about Social Security benefits.
11. 66 percent of women are offered a 401(k) or similar employee-funded retirement plan. However, 28 percent work part-time so are less likely to have workplace retirement benefits.
12. 77 percent of women who are offered an employee-funded plan participate in the plan and they contribute 7 percent (median) of their salary to the plan.
13. Women believe that they will need to save $500,000 (median) in order to feel financially secure in retirement; among those who estimated their savings needs, 55 percent say they “guessed.”
14. Women’s total household retirement accounts is $42,000 (estimated median).
15. Women’s emergency savings is just $2,000 (median).
16. Just 28 percent of women are aware of the Saver’s Credit, tax credit for saving for retirement.
17. One in three women use a professional financial advisor to help manage their retirement savings and investments.
18. Only 26 percent of women consider their long-term health when making lifestyle decisions.
Nine specific steps that women can take to improve their retirement readiness:

1. **Start saving for retirement and get into the habit of saving on a regular, consistent basis.** Save as much as you can, knowing that both small and large amounts add up and compound over time.

2. **If your employer offers a retirement plan, participate.** Be sure that your contribution rate takes full advantage of employer matching contributions, if available. Take advantage of the IRS Saver’s Credit if eligible. Consider taking advantage of catch-up contributions if you are age 50 or older.

3. **Develop a retirement strategy and write it down.** Envision your future retirement and use an online calculator to estimate your long-term savings needs. Then formulate a goal for how much you will need to save each year (be sure to include employer-sponsored retirement plans and outside savings) – and hold yourself accountable for saving.

4. **When facing life’s important decisions about whether to reduce work hours or take time out of the workforce to be a parent or caregiver, carefully consider the financial trade-offs and options – such as shifting to part-time work – to help mitigate the impact on long-term financial security.**

5. **Maintain your ability to continue working past age 65.** Keep your job skills up to date or learn new ones. Many employers, community colleges and nonprofits offer classes in the latest technologies and careers. Networking groups offer opportunities to meet more people in particular professions.

6. **Become personally involved in your family finances ranging from daily budgeting to long-term planning.** Discuss retirement saving and planning with family and close friends. An open dialogue with family members about expectations of either needing to provide or receive financial support should be part of every woman’s retirement strategy.

7. **Get educated about retirement investing.** Learn about possible ways to help make savings last longer including when to take withdrawals from retirement accounts to minimize taxes and penalties, and the best time to start Social Security to maximize benefits. Seek professional assistance if needed.

8. **Have a backup plan in the event of unforeseen circumstances such as separation, divorce, loss of a partner, or being unable to work before your planned retirement.** Consider emergency savings; insurance products such as disability insurance and life insurance; and possible ways to cut costs if needed, such as moving to a smaller home, taking on a roommate(s) or scaling back transportation costs.

9. **Take care of yourself and safeguard your health.** Make a habit of eating healthfully, exercising regularly, getting plenty of rest, and managing stress. Be sure to get routine physicals and recommended health screenings. Seek medical attention when needed.

Learn more about women’s retirement outlook as well as saving and investing for retirement at www.transamericacenter.org.
Catherine Collinson is a champion of everyday people including those who are at risk of not achieving a financially secure retirement. She currently serves as CEO and president of nonprofit Transamerica Institute® and Transamerica Center for Retirement Studies® and executive director of Aegon Center for Longevity and Retirement. With more than two decades of experience, Catherine has become a nationally recognized voice on retirement-related trends. She is an expert on women and retirement and has published reports on the topic for more than 10 years. She has testified before Congress on matters related to employer-sponsored retirement plans among small business, which have featured the need to raise awareness of the Saver’s Credit.

Catherine oversees research, publications, and outreach initiatives including the Annual Transamerica Retirement Survey. She is regularly quoted in top media outlets, including: Time, Forbes, CNBC, and Yahoo! Finance. She co-hosts ClearPath: Your Roadmap to Health & Wealth on WYPR, Baltimore’s NPR station. In 2015, Catherine was named an advisory board member of the Milken Institute's Center for the Future of Aging. She was a 2016 WISER Hero Award recipient in recognition of her contributions to helping improve retirement security for women.

Catherine is currently employed by Transamerica. Since joining the organization in 1995, she has held a number of positions with responsibilities including the incorporation of Transamerica Center for Retirement Studies as a nonprofit private foundation in 2007 and its expansion into Transamerica Institute in 2013.

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The analysis presented in this fact sheet was prepared by the research team at TCRS. The survey was conducted online in the U.S. by The Harris Poll on behalf of TCRS between August 9 and October 28, 2017 among a nationally representative sample of 6,372 workers including 3,917 women. Potential respondents were targeted based on employment status and company size. Respondents met the following criteria: U.S. residents, age 18 or older, full- or part-time workers in for-profit companies, and employer size of 5 or more. Results were weighted where necessary to bring them into line with the population of U.S. residents age 18+, employed full-time or part-time in a for-profit company with 5+ employees, and to adjust for attitudinal and behavioral differences between those who are online versus those who are not, those who join online panels versus those who do not, and those who responded to this survey versus those who did not. No estimates of theoretical sampling error can be calculated.

About This Fact Sheet

This fact sheet was derived from the report, Here and Now: How Women’s Can Take Control of Their Retirement, which can be found at www.transamericacenter.org.